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90-053-162

Lt Colonel Kalergis  
DATE: 24 November 1958

FROM : SCS

SUBJECT: Possible Countermeasures to a Blockade of Berlin (u)

1. You asked DCSOPS to consider the question of what the Allies and the German Federal Republic could do in retaliation in the event that access to West Berlin was cut off. The attached DCSOPS talking paper provides possible countermeasures to a blockade of Berlin.
2. Attached at Tab A is a cable from CINCUSAREUR in which he provides information on the "possible effects of economic blockade of Berlin and countermeasures available to the West." While the attached cable did not arrive in time for consideration in the preparation of the DCSOPS paper, it is to be noted that the countermeasures proposed by CINCUSAREUR parallel those considered by DCSOPS.
3. A map for your use while reading the DCSOPS talking paper is attached at Tab B.

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b. Other Facilities. Berlin's gas, water and electric power facilities operate independently in the East and West sectors. The sewage system functions as a unit and its division would be detrimental to both parts of the city, although 11 of the 12 sewage plants are located in East Berlin. The lines connecting automatic telephone exchanges in East and West Berlin were discontinued in May 1952, and all but one of the 75 circuits were cut in April 1953. Land lines for telephone and telegraph communications between West Berlin and West Germany are open, but pass through East Germany.

4. (S) Countermeasures as between West Germany and East Germany.

Severance of trade between West and East Germany.

a. There is considerable trade between West and East Germany. East Germany obtains about ten percent of its imports from West Germany, including ten percent of its steel. Trade amounts to about \$175,000,000 each way. Nearly one-half of West German shipments to East Germany consists of steel, and nearly one-third of the supplies received by West Germany from East Germany are brown coal and briquettes for West Berlin.

b. Both sides gain from such trade, but in event of severance of it, East Germany would suffer more. West Berlin has large stockpiles of coal and coal is in excess supply in West Germany. On the other hand, the loss of West German steel would be a severe blow to East Germany at least for a time. East German production would also be affected by loss of West German hard coal and coke, machinery, chemicals, and non-ferrous metals. West Germany would be better able to adjust to the loss of East German commodities inasmuch as these could be readily obtained elsewhere. On the other hand, the commodities obtained by East Germany under the trade agreement are in tight supply in the Soviet Bloc. In time, adjustments could be made within the Bloc to replace West German supplies, but the economic losses from this countermeasure would be sizeable.

5. (S) Countermeasures by the West against the Soviet Bloc.

a. Denial of West German transportation facilities to the Soviet Bloc.

(1) West German inland waterways, railways and highways transport a large volume of freight destined to and from Czechoslovakia, East Germany, and other Bloc countries. Data is not available at this time on the tonnage transported. Particularly important are the Port of Hamburg and the Elbe waterways. (See map)

(2) However, the development and increased use of the ports of Rostock and Stettin as ports of entry for cargo has somewhat weakened the effectiveness of this countermeasure. Nevertheless, even though both sides profit from east-west trade, the West has a greater capability to adjust, at least more quickly, to a stoppage of shipments through West Germany than does the Soviet Bloc. In the long term, the Bloc could accommodate the loss of sources of supplies and markets resulting from this countermeasure, but the immediate impact on Bloc production and economic development plans would be quite severe.

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b. Severance of East-West Trade.

(1) Total trade turnover between European NATO countries and the Sino-Soviet Bloc amounts to some \$3 billion annually, about 15 percent of the entire trade of the Bloc. It can be argued that such east-west trade is so small in relation to total production (gross national product) in the Bloc that severance of it would have little effect--this \$3 billion is one percent of Bloc gross national product.

(2) Furthermore, during the period 1948-58 when the Western Alliance had some mild measure of controls on exports to the Bloc, the Communist countries have achieved rapid economic expansion, and Communist officials have boasted that Western controls have forced them to develop indigenous production for the denied commodities and in this way achieve self-sufficiency.

(3) Nevertheless, the Communist countries have programs designed to achieve greater industrial output and rapid economic growth, the achievement of which are most urgent for the attainment of Communist objectives. These programs are dependent in part on obtaining Western machinery, equipment, and materials. For example, orders have been placed in Western Europe by the USSR for equipment for the chemical industry; the expansion of this industry is one of the key elements in Soviet industrial plans.

(4) A damaging blow could be struck by a severance of east-west trade, especially in the short term. How severe the damage would be and how long it would take to adjust to the loss of Western European sources of supply cannot be estimated with any precision. Such a countermeasure would also adversely affect Western Europe, and the relative harmful economic effects on the West and East are difficult to determine.

(5) Another available denial measure is withdrawal of Western shipping from carrying cargo to and from Communist ports and denial of the use of Western ports and bunkering facilities to Communist ships. A large volume of east-west cargo and inter-Bloc shipments are transported in Western vessels and ships under charter to the Bloc.

6. (S) Countermeasure During the 1948-49 Berlin Blockade.

Strong countermeasures were not taken during the previous blockade of Berlin. The complete blockade started 24 June 1948. Normal commercial traffic from West Germany to the Soviet Zone was stopped on 24 June but zonal frontiers were not actually closed, and substantial amounts of materials still moved. Late in July 1948 British and US authorities stopped rail traffic across the bizonal area between the Soviet Zone and non-German countries. Late in February 1949 the counterblockade was tightened. Already in January Soviet officials had approached the Western Powers to request that certain goods be allowed to pass through West Germany to East Germany, but permission was refused. In early March 1949 Soviet officials again expressed interest in resuming interzonal trade. The final tightening of the counterblockade was followed by the 15 March approach of Mr. Malik to Mr. Jessup. It is difficult to determine the degree to which the lifting of the blockade can be attributed to the counter blockade by the West. Among the more significant factors leading to the end of the blockade was Soviet recognition that the blockade was counterproductive in that: (a) It alerted the West and led to a build-up of Western military strength; (b) The success of the Berlin airlift increased US prestige world-wide; (c) It increased the determination of the West to resist Communist pressure; and, (d) Provided a new urgency for the establishment of NATO, which occurred but two months prior to the end of the blockade.

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7. (TS) Conclusions.

a. It appears that countermeasures limited to those available in West Berlin would be of little value other than their nuisance effect.

b. Severance of trade between West Germany and East Germany would have a greater, but still indecisive, effect.

c. Western economic countermeasures against the Soviet Bloc, while they might be effective if applied, would more likely be both politically and economically unacceptable to US allies and therefore would fail. Acceptability would vary according to the severity of a Soviet/GDR blockade.

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